

Link Motion Shareholders Action



Spread the word, Join the fight, Never Give Up Fighting for Justice

Posts

Chinese Court Rules in Favor of WFOE actions taken by Chairman Francis Guo

🕒 August 29, 2019 👤 lkmforward 💬 13

Comments

There have been many developments and substantial progress made by the Court-



Appointed Receiver to try and help restore Link Motion to order and ultimately to try and secure a recovery for Link Motion's shareholders. The Receiver has a dedicated team working on these goals around the clock and in all relevant jurisdictions. Updates will come as things unfold and legal proceedings are formalized.

We continue to remain actively involved in fighting for justice and for an ultimate recovery. In many regards, the advancements have been unprecedented and certainly are setting the stage for what we hope becomes an unprecedented recovery.

Updates:

1. **China:** Under the great leadership of Francis Guo, who was appointed by the Court-Appointed Receiver as Chairman of the Company, the Company's WFOE (Wholly Foreign Owned Entity) changed its Chairman and legal representative from Zemin Xu to Francis Guo. As part of this process, the Company also was able to change its business registry and official company stamp. This was an enormous step in the right direction and set the stage for Mr. Guo to gain access to the Company's Chinese bank accounts and

begin the process of restoring order. As a reminder, Vincent Shi had maintained control of the Chinese bank accounts where the vast majority of the cash resides. It is interesting to note that even though Zemin Xu resigned from the Company as its CEO and Board Member back in September 2018, he had remained as the WFOE's legal representative and Chairman and continues today in assisting Vincent Shi in resisting the Receiver's efforts. However, after Mr. Guo successfully changed the WFOE leadership, Zemin Xu and Vincent Shi attempted to block this and brought a lawsuit in Beijing on the matter. The courts in China ruled on this attempted appeal by Zemin Xu and Vincent Shi and specifically ruled in favor of Mr. Guo on behalf of the Company. This was a significant first official court ruling in favor of the Receiver's appointed Chairman. This sets the stage for more of the critical work to be done with the Company's VIE and other legal entities where the vast majority of cash and assets reside. We are thankful for Mr. Guo's leadership and continued efforts to work on behalf of the Receiver for all shareholders. However, China Merchants

Bank Chaowai Branch has been delaying the necessary procedures associated with changing the WFOE bank account's legal representative (including changing the legal rep for the bank account's authorized users and signatory authority) using the excuse that it is proceeding with customer identification. Therefore, the WFOE has been unable to pay for its employee and ex-employee's salary and social security obligations which has impacted the WFOE's normal operations. We have asked China Merchant's Bank and its Chaowai Branch to clarify the time needed for the customer identification procedures. We have also asked them to immediately finish the procedures to change the legal rep for the WFOE bank account. This has been ongoing since April 18, 2019. We have notified the China Merchant's Bank that if they still permit Vincent Shi or Zemin Xu to access the WFOE bank accounts and deposits, then China Merchant's Bank will be responsible and required to compensate the WFOE and its shareholders for any related issues. We hope that the recent court ruling in China will help speed up China Merchants Bank's cooperation in these important matters.

2. **Hong Kong:** There is a very important matter ongoing in Hong Kong related to an arbitration that ZhongZhi ("ZZ") brought against the Company alleging that it has defaulted on its convertible note. This is an ongoing legal matter and we are not able to provide a detailed update. However, it is important to note that Vincent Shi attempted to simply allow the Company fall into a default ruling in this arbitration, but the Receiver was able to enter the arbitration and is now working on behalf of the Company to properly represent the Company's interest. As a reminder, ZZ has many conflicts of interest with the Company, Vincent Shi, Tongfang and therefore the Receiver is in position to ensure that these conflicts are properly disclosed and incorporated into any such decisions related to the convertible note, the TongFang Note receivable, et al.
3. **United States:** The judge in the derivative lawsuit action *Wayne Baliga, derivatively on behalf of Link Motion Inc. against Link Motion Inc., Vincent Shi et al* has referred the general pretrial matters (including scheduling, discovery, non-dispositive pretrial motions and settlement) to a magistrate judge who will

hear the matters and rule on them before proceeding further. We will hope to update you more fully as this case proceeds.

Finally, we look forward to doing all we can to support the Receiver and his team in trying to restore what was lost, take back what was taken illicitly, and to find a way to recover on behalf of all shareholders.

 Post Views: 1,256

← LKMForward取得了令人振奋的胜利

Progress Report –
LKMForward Presses On in
2020 →

13 thoughts on “Chinese Court Rules in Favor of WFOE actions taken by Chairman Francis Guo”



Mario S says:

August 30, 2019 at 6:42 pm

Thanks for the update and continuing to fight those who participated in Nq's downfall! You're doing a good job, keep it going!

Reply



Alex says:

September 2, 2019 at 6:19 am

Thank you for the update, justice will prevail!

Reply



Peter says:

September 2, 2019 at 4:20 pm

great job! Thanks a lot!

Reply



Babatunde Ashiru says:

September 2, 2019 at 4:42 pm

Great job for resisting the great theft by Vincent Shi. We hope for continued success that will lead to recovery of all stolen assets and cash on behalf of all

investors that have innocently suffered through this charade. More power to you all.

Reply



Min says:

September 4, 2019 at 5:35 am

You folks did a great job by fighting for shareholder!

Reply



JP says:

September 10, 2019 at 1:28 am

Appreciate the effort!

Reply



SK says:

September 16, 2019 at 12:33 pm

Thanks for your efforts on behalf of shareholders. What amount of assets has the receiver been able to track that still exist?

Reply



WAYNE LI says:

October 1, 2019 at 3:38 am

THANK YOU SO MUCH

Reply



William J Rubio says:

October 7, 2019 at 11:41 pm

Thank you all for your efforts and updates. Frustrating. . Yes... but hopeful on your efforts.

Reply



Alexander G says:

November 11, 2019 at 2:59 pm

Thank you for your commitment!

Reply



Randy says:

November 22, 2019 at 10:50 pm

Any updates since August?

Reply



Tony Giraudo says:

January 15, 2020 at 3:32 am

We have not heard anything for six

months. Is there any progress being made?

Is the company still operating while we are getting trying to figure out how much cash is on the balance sheet.

Reply



lkmforward says:

January 16, 2020 at 5:35 pm

<http://lkmforward.com/progress-report-lkmforward-presses-on-in-2020/>

Reply

Leave a Reply

Your email address will not be published.

Required fields are marked *

Comment

Name *

Email *

Website

Post Comment

Contact Us

Email

lkforward@gmail.com

Copyright © 2020 Link Motion Shareholders Action

— Primer WordPress theme by [GoDaddy](#)